

## Message Text

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PAGE 01 STATE 013156  
ORIGIN ARA-14

INFO OCT-01 AF-10 ISO-00 AGRE-00 CEA-01 CIAE-00  
COME-00 DODE-00 EB-08 FRB-01 H-02 INR-07 INT-05  
L-03 LAB-04 NSAE-00 NSC-05 PA-02 CTME-00 AID-05  
SS-15 STR-06 ITC-01 TRSE-00 USIA-15 PRS-01 SP-02  
SOE-02 OMB-01 DOE-11 /122 R

DRAFTED BY USOAS:NTSHAFT  
APPROVED BY USOAS:IGTRAGEN  
EB/OT/STA:JSPIRO (DRAFT)  
ARA/ECP:WDBURSON (DRAFT)  
USOAS:MDION

-----038555 181143Z /13

R 172337Z JAN 78  
FM SECSTATE WASHDC  
TO AMEMBASSY BRASILIA  
INFO ALL AMERICAN REPUBLIC DIPLOMATIC POSTS  
AMEMBASSY PRETORIA  
XMT AMEMBASSY GEORGETOWN  
AMEMBASSY NASSAU -

UNCLAS STATE 013156

E.O. 11652: N.A.

TAGS: OAS, ETRD, BR

SUBJECT: OAS CONSULTATION ON FERROCHROMIUM

REF: STATE 010723 (NOTAL)

1. THE OAS MEETING OF CONSULTATION ON THE INTERNATIONAL  
TRADE COMMISSION'S SECTION 201 RECOMMENDATIONS FOR HIGHER  
IMPORT DUTIES ON HIGH CARBON FERROCHROMIUM TOOK PLACE  
JANUARY 16. BRAZIL, THE ONLY OAS COUNTRY AFFECTED, WAS  
REPRESENTED BY ITS OAS AMBASSADOR, PAULO PADILHA VIDAL,  
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THE U.S. BY JOEL SPIRO, CHIEF OF EB'S SPECIAL TRADE ACTI-  
VITIES DIVISION.

2. SPIRO LED OFF WITH A DESCRIPTION OF THE ITC FINDINGS  
AND AN EXPLANATION OF THE PROCEDURES TRIGGERED BY AN  
ITC RECOMMENDATION. HE LISTED THE CONSIDERATIONS THAT  
MUST BE INCLUDED IN THE REPORT ON THE ITC RECOMMENDATION,

AND THE ALTERNATIVES AVAILABLE TO THE PRESIDENT. BRAZIL ARGUED THAT IT IS A RELATIVELY SMALL SUPPLIER OF FERRO-CHROMIUM TO THE U.S., AND THAT THE THREAT OF INJURY TO THE U.S. INDUSTRY FOUND BY THE ITC IS THE RESULT OF A PRICE WAR UNDERTAKEN BY SOUTH AFRICA AND MULTINATIONAL CORPORATIONS OPERATING THERE. AMBASSADOR VIDAL SUGGESTED

SOUTH AFRICAN PRICE REDUCTIONS CONSTITUTE DUMPING, AND HE WONDERED WHY THE ITC DID NOT RECOMMEND APPROPRIATE ANTIDUMPING MEASURES AGAINST SOUTH AFRICA INSTEAD OF A TARIFF INCREASE APPLICABLE TO ALL SUPPLIERS. SPIRO EXPLAINED THAT THE COMPLAINANTS BEFORE THE ITC, THE DOMESTIC INDUSTRY, HAD CHOSEN TO REQUEST SECTION 201 RELIEF INSTEAD OF ALLEGING DUMPING, A PROCEDURE THAT BEGINS WITH TREASURY RATHER THAN ITC. HE ASSURED THEM THAT THE OAS CONSULTATION WOULD BE NOTED IN THE REPORT TO THE PRESIDENT ON FERROCHROMIUM.

3. THE BRAZILIAN OAS MISSION SAYS IT IS PLEASED WITH THE MEETING, WHICH IT REQUESTED BOTH TO DEMONSTRATE SUPPORT FOR THE OAS TRADE CONSULTATIVE MECHANISM AND TO EMPHASIZE ITS INTEREST IN THIS 201 CASE. OF COURSE THE ULTIMATE BRAZILIAN REACTION WILL DEPEND ON THE PRESIDENT'S DECISION. CHRISTOPHER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** MEETING REPORTS, CHROMIUM  
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**Copy:** SINGLE  
**Draft Date:** 17 jan 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 jan 1960  
**Disposition Event:**  
**Disposition History:** n/a  
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**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
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